

## Property Tax Performance of Local Authorities in Malaysia

### Abstract

Property tax income of local authorities has become more challenging due to robust developments. Property tax revenue is the main income for local authorities that are used to pay for services and maintenance in the local authority administrative areas. However, the amount of revenue collected is decreasing due to the serious problem of property tax arrears that affects the administrative system and as a corollary, the delivery of services by local authorities. The performance measurement of property tax is very important in order to manage the services, and for maintenance and development of sustainable local authorities. Therefore, this paper represents a review of the Malaysian local authority property tax collection performance. The rating system is applied to address the performance of property tax collection in Malaysia. The result revealed that most of the property tax collection in Malaysia performed under inadequate level. Property tax collection statistics for the research include the total revenue and property tax arrears for each local authority in Malaysia within five years from 2004 to 2007. It is expected that this property tax performance will be employed as a basis to pursue the appropriate, innovative, and creative approaches for local authorities in Malaysia.